

TUESDAY, JANUARY 17, 1978

FORTY-SEVENTH LEGISLATIVE DAY

The House met at 5:00 p.m. and was called to order by Mr. Speaker McWherter.

The proceedings were opened with prayer by Rev. Jim Riner, Friendship Baptist Church, Loudon, Tennessee.

Representative Stafford led the House in the Pledge of Allegiance to the Flag.

The roll call was taken with the following results:

Present 91

Representatives present were: Ashford, Atchley, Bell, Bewley, Bishop, Bissell, Blackburn, Bragg, Brewer, Buck, Burks, Burleson, Burnett (Fentress), Burnett (Sumner), Bussart, Butler, Byrd, Carter, Cawood, Clark, Copeland, Darnell, Davidson (Robertson), Davidson (Wayne), Davis, DeBerry, DePriest, Dixon, Elkins, Ellis, Fisher, Fleming, Ford (Cocke), Ford (Shelby), Fuqua, Gill, Good, Hall, Henry, Hillis, Hood, Hurley, Jensen, Johnson, Kernell, King, Lanier, Lashlee, Ledford, Longley, Love, McAfee, McKinney, Martin, Miller, Moore, Murphy (Davidson), Murray (Franklin), Murray (Madison), Naifeh, Nolan, Phillips, Pickering, Pruitt, Rhinehart, Richards, Richardson, Robertson, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Shockley, Small, Smith, Spence, Stafford, Stallings, Steinhauer, Tanner, Turner, Wallace, Watson, Webb, Withers, Wolfe, Wood, Work, Yelton, Young and Mr. Speaker McWherter — 91.

The Speaker announced that Representative Williams was excused because of personal business.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolutions Nos.

123 — Relative to congratulating Coach Ken Dugan and David Lipscomb College baseball team;

124 — Relative to commending members on the Tennessee Code Commission;

125 — Relative to memory, Kirby O. Primm, Sr.;

126 — Relative to congratulating Juvenile Court Judge Richard Jenkins;

127 — Relative to commending Dr. Alvin Herborg Nielsen;

143 — Relative to memory, John R. Long, Jr.; adopted for concurrence.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to return to the House, House Joint Resolutions Nos.

252 — Relative to appreciating Mr. James E. Shepherd;

253 — Relative to memory, John Robert Rodman;

254 — Relative to commending TV Station WTIC;

270 — Relative to commending John W. Saucier; all concurred in by the Senate.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

SIGNED

The Speaker announced that he had signed the following: Senate Joint Resolutions Nos. 132, 133 and 134.

Mr. Burnett (Fentress) moved that Rule No. 12 be suspended to consider House Bills on Second Reading at this time, which motion prevailed.

HOUSE BILLS ON SECOND READINGS

House Bill No. 1569 — To determine obligation, general sessions judges, certain counties.

Passed second reading and referred to Committee on Judiciary.

House Bill No. 1570 — To make provisions, Retailer's Sales Tax Act.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1571 — To make provisions, tax enforcement procedures.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1572 — To change date for making payment on certain income taxes.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1573 — To make provisions, regarding certain tax liens.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1574 — To impose privilege tax on soft drink bottles.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1575 — To provide for registration and assessment of penalty, certain vehicle operators.

Passed second reading and referred to Committee on Transportation.

TUESDAY, JANUARY 17, 1978 — 47TH LEGISLATIVE DAY

House Bill No. 1576 — To subject any insurance company to jurisdiction of state.

Passed second reading and referred to Committee on Commerce.

House Bill No. 1577 — To regulate certain investment criteria.

Passed second reading and referred to Committee on Commerce.

House Bill No. 1578 — To regulate filing of certain insurance premium rates.

Passed second reading and referred to Committee on Commerce.

House Bill No. 1579 — To make certain provisions, regulation of captive insurance companies.

Passed second reading and referred to Committee on Commerce.

House Bill No. 1580 — To make certain provisions, Tombigbee - Tennessee waterway compact.

Passed second reading and referred to Committee on Transportation.

House Bill No. 1581 — To amend Section 56-410, Code, fees and taxes.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1582 — To amend Section 49-1765 and 49-1767, immunization.

Passed second reading and referred to Committee on Education.

House Bill No. 1583 — To make provisions, group insurance.

Passed second reading and referred to Committee on Commerce.

House Bill No. 1584 — To provide Commissioner of Labor with certain authorities.

Passed second reading and referred to Committee on Labor and Consumer Affairs.

House Bill No. 1585 — To clarify provisions, reporting of work related injuries.

Passed second reading and referred to Committee on Labor and Consumer Affairs.

House Bill No. 1586 — To remove limitation, system of communication, crime statistics.

Passed second reading and referred to Committee on Labor and Consumer Affairs.

House Bill No. 1587 — To make certain provisions, purchasing agent, Sullivan County.

Passed second reading and held without reference.

House Bill No. 1588 — To define rights of arrested person.

Passed second reading and referred to Committee on Judiciary.

House Bill No. 1589 — To make provisions, expungement of criminal records.

TUESDAY, JANUARY 17, 1978 — 47TH LEGISLATIVE DAY

Passed second reading and referred to Committee on Judiciary.

House Bill No. 1590 — To provide allowance for mine related employees.

Passed second reading and referred to Committee on Commerce.

House Bill No. 1591 — To change names of mental health institutions.

Passed second reading and referred to Committee on General Welfare.

House Bill No. 1592 — To make provisions, authorizing court to grant restraining or

Passed second reading and referred to Committee on Judiciary.

House Bill No. 1593 — To determine age of consent for adoption.

Passed second reading and referred to Committee on General Welfare.

House Bill No. 1594 — To authorize road and bridge, Hatchie River.

Passed second reading and referred to Committee on Transportation.

House Bill No. 1595 — To make provisions, officers under Tennessee County Unified
Road Law.

Passed second reading and referred to Committee on Transportation.

House Bill No. 1596 — To amend Section 56-107, Code.

Passed second reading and referred to Committee on Commerce.

House Bill No. 1597 — To extend time to recover erroneous tax payments.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1598 — To make misdemeanor, failure to stop for law enforcement vehicle.

Passed second reading and referred to Committee on Judiciary.

House Bill No. 1599 — To amend Section 12-212, Code.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1600 — To amend Section 50-1005, Code.

Passed second reading and referred to Committee on Labor and Consumer Affairs.

House Bill No. 1601 — To make certain provisions, Workmen's Compensation Law.

Passed second reading and referred to Committee on Labor and Consumer Affairs.

House Bill No. 1602 — To prohibit distribution or sale of disposable bottles.

Passed second reading and referred to Committee on Commerce.

House Bill No. 1603 — To require that Lear jet airplane be sold.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1604 — To amend Section 6-317, Code.

Passed second reading and referred to Committee on State and Local Government.

House Bill No. 1605 — To make certain provisions, vehicle registration plates.

Passed second reading and referred to Committee on Transportation.

House Bill No. 1606 — To grant municipalities certain priority in annexation.

Passed second reading and referred to Committee on State and Local Government.

House Bill No. 1607 — To provide tax relief, certain homeowners.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1608 — To make provisions relative to certain rented premises.

Passed second reading and referred to Committee on Labor and Consumer Affairs.

House Bill No. 1609 — To make provisions, abandonment of rented premises.

Passed second reading and referred to Committee on Labor and Consumer Affairs.

House Bill No. 1610 — To make provisions, blind vending stand operation.

Passed second reading and referred to Committee on General Welfare.

House Bill No. 1611 — To prohibit copying of driver licenses.

Passed second reading and referred to Committee on Transportation.

House Bill No. 1612 — To make changes relative to examination of state banks.

Passed second reading and referred to Committee on Commerce.

House Bill No. 1613 — To make certain exemptions, sales tax.

Passed second reading and referred to Committee on Finance, Ways and Means.

House Bill No. 1614 — To make certain provisions, catalogs listing general contracts.

Passed second reading and referred to Committee on State and Local Government.

House Bill No. 1615 — To make certain provisions, forwarding of contracts.

Passed second reading and referred to Committee on State and Local Government.

House Bill No. 1616 — To establish authority, Commissioner, Department of Safety.

Passed second reading and referred to Committee on State and Local Government.

STANDING COMMITTEE REPORTS

CONSERVATION AND ENVIRONMENT

MR. SPEAKER: Your Committee on Conservation and Environment begs leave to report that we have carefully considered and recommend for passage: House Bills No. 1545 (with amendments).

WATSON, Chairman.

Under the rules, House Bill No. 1545 was transmitted to the Committee on Calendar and Rules.

EDUCATION

MR. SPEAKER: Your Committee on Education begs leave to report that we have carefully considered and recommend for passage: House Bills Nos. 1566, 1567 and 1568.

LASHLEE, Chairman.

Under the rules, House Bills Nos. 1566, 1567 and 1568 were transmitted to the Committee on Calendar and Rules.

FINANCE, WAYS AND MEANS

MR. SPEAKER: Your Committee on Finance, Ways, and Means begs leave to report that we have carefully considered and recommend for passage: House Joint Resolution No. 196.

RHINEHART, Chairman.

Under the rules, House Joint Resolution No. 196 was transmitted to the Committee on Calendar and Rules.

STATE AND LOCAL GOVERNMENT

MR. SPEAKER: Your Committee on State and Local Government begs leave to report that we have carefully considered and recommend for passage: House Bill No. 486 (with amendments).

MURRAY (Madison), Chairman.

Under the rules, House Bill No. 486 was transmitted to the Committee on Calendar and Rules.

SPONSORS ADDED

Without objection, the rules were suspended to allow the following members to add their names as sponsors to the bills as indicated below, the prime sponsor of each having agreed to such addition:

House Bill No. 1543 — Robinson (Hamilton), Starnes, Copeland, McAfee, and Davis.

House Bill No. 1602 — Hurley.

MOTION TO AMEND HOUSE RULES

Amend Rules of Order of the House of Representatives by deleting Rule No. 75 in its entirety and inserting the following new rule.

75. ACTION ON BILLS INTRODUCED AFTER MONDAY, JANUARY 30, 1978.

All general bills introduced after Monday, January 30, 1978, shall be referred by the Speaker to the appropriate committee, there to be held for the remainder of the session unless a bill be called for by a two-thirds majority of the members to which the body is entitled under the Constitution, in which case it shall be placed in the next available position on a calendar for a succeeding day. Should such a bill be recalled from committee in the manner provided above on the final day of the session, it shall then be placed at the foot of the calendar on that day. All bills to be introduced on Monday, January 30, 1978 must be filed with the Clerk before midnight, Friday, January 27, 1978.

The provisions of the preceding paragraph governing bills introduced after January 30, 1978 may be waived with respect to a general bill of local application which has the support of the local delegation adequate to meet the requirements of the local unit rule on file with the Chief Clerk of the House or a bill to correct a typographical error in an earlier bill or an earlier enactment by unanimous consent of the Committee on Delayed Bills composed of the Speaker, the Majority Leader and the Minority Leader. The committee shall meet at the call of the Speaker. After a bill has received the unanimous consent of the Delayed Bills Committee and has been introduced and has passed second reading in accordance with the Constitution of the State of Tennessee and with the Rules of Order of the House of Representatives, such a bill shall be referred by the Speaker to the appropriate committee as required by Rule No. 46.

S. THOMAS BURNETT

TOM JENSEN

Under the rules, the motion lies over.

RECESS

Mr. Burnett (Fentress) moved that the House recess for the purpose of meeting with the Senate in Joint Convention, and at the conclusion of the Convention, stand in adjournment until 1:00 p.m. tomorrow, which motion prevailed.

IN JOINT CONVENTION

The hour having arrived, set by Senate Joint Resolution No. 133 — Relative to Joint Convention, Governor's Budget Message, the Senate met with the House in Joint Convention.

The Joint Convention was called to order by Mr. Speaker Wilder, President of the Joint Convention.

On motion of Senator Hamilton, the roll call of the Senate was dispensed with.

On motion of Representative Burnett (Fentress), the roll call of the House was dispensed with.

Thereupon, the Clerk of the Senate read Senate Joint Resolution No. 133 authorizing the Joint Convention.

Senator Hamilton moved that the President appoint a committee to notify the Governor that the Joint Convention was in session and awaiting his arrival, which motion prevailed.

Mr. President Wilder appointed the following committee to notify the Governor: Senators Ford, Chairman; Hooper, Ortwein and Atchley, and Representatives Shockley, Young, Ford (Shelby) and Dixon.

The Joint Convention recessed pending the arrival of the Honorable Ray Blanton, Governor of the State of Tennessee.

The Joint Convention was called to order by Mr. President Wilder.

On motion, the roll calls of the House and Senate were dispensed with.

Senator Ford announced that the Governor was at the entrance to the House.

The committee escorted the Honorable Ray Blanton, Governor of Tennessee, to the Clerk's rostrum where he delivered the following budget message:

MESSAGE FROM THE GOVERNOR

Mr. President Wilder, Mr. Speaker McWherter, Mr. Chief Justice and Members of the Judiciary, Members of the Ninetieth General Assembly, Constitutional Officers, Members of the Cabinet, Ladies and Gentlemen:

This is the fourth time it has been my privilege to present to you the annual budget message for the coming fiscal year.

I appreciate this opportunity to give you the highlights of the financial condition of state government. It will be my pleasure next week to report to you on the "State of the State".

But this evening, let me trace for you where we were financially three years ago, where we are now and where we're going.

In 1975, the situation was extremely bad. Tax revenues were far less than had been projected. And we were challenged by a possible 71 million dollar deficit.

Our budget reflected that dismal picture. It was stripped down to the most basic of services and was 3 per cent lower overall than the one approved the previous year.

We proposed no new taxes for continuation purposes and no major new programs. I promised, however, that my administration had accepted the challenge and was working diligently to get the state back on an even keel. We have kept that promise.

By 1976, things were better but still not up to par. We had reached a "crossroads" that could determine Tennessee's future for better or worse.

We had this choice: to continue our hard policies and keep climbing a very rocky road ... or slide back into financial decline and stagnation.

We gave you a "blueprint for progress" reflecting our choice of the road to be taken.

We asked money only to stabilize our basic programs and to "catch up" on mandated programs that were "not funded" . . . or were "underfunded".

Let me interject here that it required more than 100 million dollars just to catch up and pay for programs authorized by previous administrations and General Assemblies.

We are today spending 150 million dollars on those new programs that were authorized between 1970 and 1974.

At the beginning of this administration, the programs that were "not funded" . . . or that were "underfunded" . . . included these:

- comprehensive vocational education
- education of the handicapped
- the retirement system and cost-of-living retirement adjustments
- medical education
- veterinary medicine
- regional correctional facilities
- medicaid
- major maintenance of state facilities, and
- debt service requirements for state bonds

We feel that these programs are now funded at realistic levels consistent with the Tennessee tax base.

Let me point out that when I came on board, the state had 202 million dollars in bonds that were authorized but that had not been issued . . . and for which no debt service had been provided.

The debt service on that amount would total 20 million dollars. We have sold or cancelled all these unissued bonds.

The budget I present this evening reflects full debt service funding. I believe that gives you a bit more insight into the hard fiscal decisions we had to make in the first two years of this administration.

By last January, I was pleased to report that we had taken the right turn at the crossroads and were in a far better position than we perhaps had any reason to expect. However, I advised that we proceed cautiously.

In all three of my past budget messages I called on the Legislature to join me in making responsibility, fiscal restraint and cooperation our common watchwords.

I urged that we keep the taxpayer in the forefront of our deliberations at all times . . . that we place the best interests of the state and the citizens before partisan preference and political advantage . . . and that we make the necessary hard decisions with courage and fortitude.

Ladies and Gentlemen of the Legislature, your response was magnificent!

I'm sure we're all aware that over the past three administrations, the relationship between the executive and legislative branches has changed significantly. There's no question that we have an independent Legislature, and I applaud your independence.

It keeps both branches on their toes and, in my judgment, results in a far more responsive and vigorous government.

A fine spirit of "give and take" has evolved and the end result is a budgetary system that has the mutual respect and confidence of both branches.

We debate the issues, of course, and we win some and lose some. But now we reach our budgetary decisions on the basis of "front end" funding of our programs.

Both branches obviously have been determined not to create "unfunded" or "underfunded" programs that can become millstones around the necks of future administrations and legislatures.

It would be difficult for me to find words to express my appreciation to you for honoring the "front end" funding policy and for seeing fit to approve our budget proposals virtually intact.

We've been through some hard-fought battles and adjustments, but the result was that you didn't "pork barrel" and I didn't veto.

The citizens undoubtedly have benefitted. Ladies and Gentlemen, we can be proud indeed that we have made the right choices in the past three years.

Today it is my deep pleasure to report to you that the fiscal situation of state government is such that we can proceed with confidence.

Tennessee has reached full recovery from the recession. Our state is back on an even keel.

We have reached parity with our "unfunded" or "underfunded" programs. We can truly proceed with confidence.

The budget we recommend this evening is a balanced budget. It is still a tight budget, based on realistic tax revenue projections.

It embodies sound planning, not just for the coming fiscal year but for future administrations and legislatures to build on with confidence.

It contains no new taxes and only a modest number of new programs and expansions.

It restricts growth in both funds and personnel to amounts necessary to correct deficiencies in our delivery of services to the people.

It concentrates on such items as payroll increases, and correcting personnel deficiencies in such areas of concern as Human Services, Correction, Mental Health and Retardation and Employment Security.

This budget is based on the premise that we will keep the state sales tax at the present rate.

We have good tax revenues today, but we can't expect the present growth to continue, and we based our recommendations on an overall growth rate of 8.7 per cent. This is within the anticipated growth in the state's economy.

A major policy decision in each of our budgets has been a reasonable salary improvement for state employees, teachers and higher education faculty and employees.

Let me say just a word about payrolls. My first year, we recommended a 5 per cent increase . . . however, the budget was funded at a 2.5 per cent level.

The second year we proposed 9 per cent and last year 7 per cent and these were funded. This year we're proposing 7.5 per cent.

Ladies and Gentlemen, I'm very proud of the fact that this represents a 26 per cent cumulative increase since 1975!

The 7.5 per cent increase represents 80.2 million dollars in the budget of 3.16 billion dollars we recommend.

The sinking fund, taxes shared with local governments, and funds to continue and improve our basic programs are reflected.

This budget is 203 million dollars above that of the current year. It reflects 2 billion state dollars and almost a billion federal dollars, plus the balance from other revenues.

It also reflects 100 million dollars in federal "pass through" funds and other items that have never before been included in Tennessee state budgets . . . this is an accounting change that's consistent with sound accounting practices.

I would have preferred basing this budget on a graduated personal income tax and no sales tax on necessities . . . but I am being realistic about that issue, too.

It will come . . . it must come . . . if the tax burden on our citizens is to be fair.

In the area of capital outlay, we recommend 124 million dollars, with only 50 million of that in bonds.

We're asking no bond issues for highway programs . . . but do recommend that 14 million dollars in non-recurring tax revenues in the general fund be transferred to our highway program.

We're also asking 12 million dollars in one-time funds for repair of winter damage to city streets and county roads.

Let me note here that during this administration, highway users' taxes have been dedicated to highway purposes.

Let's look first at what we propose to do about some of the biggest challenges facing us.

I believe we will all agree that the one most pressing problem is in the field of correction, mainly over-crowding.

We recommend 69 million dollars for the Department of Correction, including 3.7 million for improvements. In addition, we are reserving funds to operate regional correctional centers as they become operational in future years.

This is consistent with our "front end" funding of new institutions and programs.

The amount for the Correction Department this year represents an increase of 37 million dollars in four years. This means that the budget for correction has more than doubled during this administration.

The major improvements we envision are:

- 2 million to begin staffing and other preparations for opening the two new centers at Cockrill Bend and Pikeville.
- \$300,000 for additional staff to upgrade work release programs.
- \$845,000 to upgrade medical services for adult and juvenile offenders.
- and \$534,000 to pick up declining federal grants.

In capital outlay, we recommend 15.3 million, including:

- 3.5 million to supplement construction funds for the Regional Center in Morgan County.
- 7.5 million to construct a new regional facility whose location has not been designated.
- and 4.3 million for such things as fire safety, renovation of the main prison hospital and a cell block at Fort Pillow and improvement of the state industries program.

We equalized salaries for correctional officers last year. Now let me talk a bit about services to Tennesseans.

You will recall the long lines at the food stamp windows . . . and the foster care and child abuse problems. We have taken care of personnel deficiencies in these areas of concern.

We are dedicated to better foster care for our dependent and neglected children and ask for 1 million dollars in improvements for this purpose.

This will provide increased payments for foster care and for psychological examinations of foster care children as required by the new child abuse law.

For medicaid, we recommend 317 million dollars, including 14.5 million in new state money.

These funds will meet the demands of the medicaid program and provide increases in payments for nursing home services.

For Mental Health and Retardation, we're asking improvements amounting to 4.6 million dollars. This includes 1.2 million for the retarded offender program, which has been on the books but not funded.

It has been desperately needed for years, and we were able to go ahead and get it started this year through cooperation of the departments concerned . . . Correction, Mental Health and Human Services.

I am very proud of this program, and I highly commend the departments for working closely together to get it into action without further delay.

That's the kind of cooperation that marks this administration and I am gratified by it.

We are asking a 1-step pay differential for direct care personnel on the second and third shifts in our psychiatric and retardation facilities.

In mental retardation, we're asking \$700,000 for community services for retarded citizens on the waiting list for in-state and community-based facilities.

We're asking funds to staff a community services program in Arlington . . . and funds to pre-plan 100 additional beds at the Arlington Developmental Center.

We're asking 1.5 million dollars to fully implement the cost-accounting system we initiated in our facilities and in the community mental health clinics last year.

Under capital outlay, we recommend 6 million dollars for mental health facilities, including 3.2 million for 8 replacement cottages at Clover Bottom.

Now let me turn to education, which comprises 48 per cent of the total.

We propose 610 million dollars in continuation funds, plus an improvement item of 12 million.

Then, of course, in our 7.5 per cent salary plan, 37 million dollars will be devoted to teacher raises.

One very pressing concern in education is the Tennessee Preparatory School. Those dependent youngsters have been entrusted to our care and they deserve and must have the very best we can give them.

Consequently, we recommend 13.3 million dollars in new construction funds, plus \$165,000 for improvements in staffing.

The total construction budget for TPS, including funds appropriated last year, will be 17 million dollars, which will enable us to build a "new" facility that Tennesseans can be proud of . . . and one that will provide a wholesome environment for the students . . . and return TPS to the great institution that it once was.

Other items for education include improvements totaling:

- 4 million for education of the handicapped
- 3.5 million for comprehensive vocational education
- 2 million to lower the pupil-teacher ratio in Grades 1 through 3
- and 1.5 million for pupil transportation within the local systems

Under Capital Outlay we recommend:

- 2.6 million to replace academic facilities of the Alvin C. York School, and
- 1.1 million for equipment and major maintenance for our state technical institutions, vocational education schools and special education facilities.

For Higher Education we recommend a continuation budget of 243 million dollars, plus 7.4 million for improvements.

We recommend 48 million in capital outlay funds for our two systems of higher education.

We recommend 2 million dollars for improvements at the UT Center for Health Sciences in Memphis, including \$559,000 for the family practice and clinical center programs.

The College of Medicine at East Tennessee State University, and its family practice and community clinical programs, will require 1 million in improvement funds.

An improvement item of 1.3 million is recommended for the UT College of Veterinary Medicine.

We are asking funds for the tuition grant program, and in addition we propose a new program involving \$480,000 in one-time funds for loans at the campus level.

Let's turn to our retirement system.

It is now on a sound actuarial basis and we are recommending the means to keep it that way.

The Legislature provided a contingency fund appropriation of 16.3 million in both the past and current fiscal years, and we were able to fund that from tax revenues.

We are requesting an appropriation that will be adequate to keep our basic retirement system and its 3 per cent cost-of-living adjustment on a sound basis.

The cost of the retirement program to the state is significant.

For example, we increased our contribution for teachers' retirement from its 42 million dollar level three years ago to 106 million, including the request for next year.

This is an increase of 64 million dollars during this administration to ensure an adequate retirement for teachers.

Because of the responsible action of the executive and legislative branches, our retirement program has received recognition in governmental circles throughout the nation for the way we've met our commitments.

Now I want to mention a few other things under improvements and capital outlay.

We recommend 3.9 million dollars for police pay supplements to be funded for one additional year . . . and 3 million dollars to increase our revenue fluctuation reserve to 24 million.

Other capital outlay items I want to mention are:

- 10.4 million for improvement of parks and recreational facilities
- 10.6 million for major maintenance of state facilities, and
- 9.7 million for major military construction at National Guard Armories across the state.

Now, just a word about curbing the growth of state government.

In terms of personnel, our four-year record shows an increase of only 5 per cent in full-time positions.

I call to your attention that state government employment in the previous four-year period increased by 20 per cent.

We have funded the "unfunded" and "underfunded" programs.

We have not proposed new and costly programs.

The recent increase in our bond rating by "Standard and Poor" from AA to AA-Plus is an indication of our progress in financial management.

Ladies and Gentlemen, we have a record we can be proud of . . . in financial responsibility and in services to people.

We're on the move . . . and the move is upward.

We're in better shape fiscally right now than at any time in the state's history and this is because of sound financial management.

I look forward to completion of the work of the Reorganization Study Commission and the enactment of necessary legislation to streamline the entire organizational structure of state government.

I proposed "sunset" legislation and I strongly support it. I am firmly convinced that when it is accomplished, Tennessee will have a state government structure worthy of serving as a model for the nation.

Please don't think I hold to the utopian idea that things will be perfect . . . nothing is ever perfect in this world.

But things can be better and they will be better, if the executive and legislative branches continue to demonstrate the kind of responsible action that's been shown over the past three years.

The most frustrating thing about this job is knowing the many positive things, the many achievements, the solid progress we are making, and yet seeing that these positive aspects remain largely unknown by the general public.

I intend to take the positive story of this administration directly to the people . . . they should know and deserve to know exactly what is really going on in state government.

And what's going on is good.

We've moved from the floodwaters of adversity into the mainstream of progress in the past three years.

And together, we can strike out boldly to a new degree of leadership with the full confidence that we've got what it takes to back up.

Mr. President Wilder relinquished the Chair to Mr. Speaker McWherter as President of the Joint Convention.

Mr. President McWherter expressed thanks to Governor Blanton.

The purpose for which the Joint Convention was called having been accomplished, Mr. President McWherter declared the Joint Convention dissolved.

The Senate repaired to the Senate Chamber.

Thereupon, pursuant to a previous motion, Mr. Speaker McWherter declared the House adjourned until 1:00 p.m. tomorrow.